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UNITED STATES PATENT AND TRADEMARK OFFICE
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BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES
_____

Ex parte GLENN MCGARRY and WESLEY FEDORCHAK
_____

Appeal 2009-011598
Application 09/764,782
Technology Center 3600
_____

Decided: March 25, 2010
_____

Before HUBERT C. LORIN, ANTON W. FETTING, and
BIBHU R. MOHANTY, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellants seek our review under 35 U.S.C. § 134 (2002) of the final rejection of claims 26-58 which are all the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b) (2002). Oral arguments were presented on March 18, 2010.

SUMMARY OF THE DECISION

We AFFIRM.

THE INVENTION

The Appellants' claimed invention is directed to a streamlined system for capturing trades that can be operated by the client at its site (Spec. 3:6-10). Claim 26, reproduced below, is representative of the subject matter of appeal.

26. A system, comprising:

one or more remotely located client devices to capture information concerning one or more deals from one or more users, the captured information identifying a party, a counterparty, and one or more product types of one or more financial products associated with the one or more deals, wherein the one or more deals are executed trades and the one or more users are the party or the counterparty to the one or more deals; and

a deal management computer in communication with the one or more remotely located client devices to process the one or more deals through multiple deal states, the captured information being routed based on the one or more product types of the one or more financial products associated with the one or more deals.

<div align="center">THE REJECTIONS</div>

The Examiner relies upon the following as evidence in support of the rejections:

Sandhu	US 2003/0033212 A1	Feb. 13, 2003
McErlean	US 7,024,462 B1	Apr. 4, 2006

The following rejections are before us for review:

1.   Claims 26-33, 36-43, 46-53, and 56-58 are rejected under 35 U.S.C. § 103(a) as unpatentable over Sandhu and McErlean.

2.   Claims 34-35, 44-45, and 54-55 are rejected under 35 U.S.C. § 103(a) as unpatentable over Sandhu, McErlean, and Official Notice.

<div align="center">THE ISSUES</div>

At issue is whether the Appellants have shown that the Examiner erred in making the aforementioned rejections.

With regard to claims 26-33, 36-43, 46-53, and 56-58 this issue turns on whether the combination of Sandhu and McErlean discloses or suggests the claim limitations for "executed trades" and "the captured information being routed based on the one or more product types of the one or more financial products associated with the one or more deals" and whether combining the references to meet the argued claim limitations would have been obvious.

With regards to claims 34-35, 44-45, and 54-55 this issue turns on whether it would have been obvious to combine Sandhu and McErlean and

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modify the combination for the specific claim limitations argued for each dependent claim.

FINDINGS OF FACT

We find the following enumerated findings of fact (FF) are supported at least by a preponderance of the evidence:[1]

FF1. Sandhu discloses a system for web-based transactions in capital markets (Title).

FF2. Sandhu discloses that the system enables institutional investors and financial institutions to engage in capital market transactions including trading financial products via the Internet. The system includes a variety of servers and applications. The system supports back-end systems to execute automated processing including derivatives trading and trade settlement (Abstract).

FF3. Sandhu in Figure 1 discloses confirmation block 70, settlement block 80, back end system 85, and trading block 160.

FF4. McErlean discloses an electronic message routing system (Title).

FF5. McErlean discloses that routing tags are used to determine how messages are routed and distributed by the system. Reducing the number of messages that is classified is advantageous since classification which typically involves text analysis is a time-consuming process (Abstract).

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[1] *See Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

FF6. McErlean at Col. 1:12-65 discloses that a text analyzer is used to analyze and classify the content of electronic messages. A banking organization may categorize messages based on a text analysis.

FF7. McErlean at Col. 3:5-31 discloses that a routing tag is associated with the message when it leaves the system. By detecting the routing tag in the external agents reply message, the classifier determines that it does not need to classify the reply message. The routing tag may take the form of an XML tag.

<div align="center">PRINCIPLES OF LAW</div>

<div align="center">*Principles of Law Relating Claim Construction*</div>

We determine the scope of the claims in patent applications not solely on the basis of the claim language, but upon giving claims their broadest reasonable construction in light of the specification as it would be interpreted by one of ordinary skill in the art. *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004). The properly interpreted claim must then be compared with the prior art.

<div align="center">*Principles of Law Relating to Obviousness*</div>

"Section 103 forbids issuance of a patent when 'the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.'" *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art,

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(2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 550 U.S. at 407 ("While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.")

In *KSR*, the Supreme Court emphasized "the need for caution in granting a patent based on the combination of elements found in the prior art," *id.* at 415-16, and discussed circumstances in which a patent might be determined to be obvious. In particular, the Supreme Court emphasized that "the principles laid down in *Graham* reaffirmed the 'functional approach' of *Hotchkiss*, 11 How. 248." KSR, 550 U.S. at 415, (citing *Graham*, 383 U.S. at 12), and reaffirmed principles based on its precedent that "[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results." *Id*. at 416. The Court also stated "[i]f a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability." *Id.* at 417. The operative question in this "functional approach" is thus "whether the improvement is more than the predictable use of prior art elements according to their established functions." *Id.*

The Court noted that "[t]o facilitate review, this analysis should be made explicit." *Id.* at 418 (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006) ("[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness"). However, "the analysis need not seek out precise teachings

directed to the specific subject matter of the challenged claim, for a court
can take account of the inferences and creative steps that a person of
ordinary skill in the art would employ." *Id.*

ANALYSIS

The Appellants argue that the rejection of claims 26, 36, and 46 is
improper because McErlean does not teach "the captured information being
routed based on the one or more product types of the one or more financial
products associated with the one or more deals" (Br. 8). The Appellants
argue that McErlean is categorizes on the basis of the text of the e-mail
message and not on a tag or message type (Br. 8). The Appellants also argue
that Sandhu fails to disclose the that the deals are "executed trades" and that
it is directed to a front-end trading system as opposed to a middle or back-
end system (Br. 8-9).

In contrast the Examiner has determined that McErlean and Sandhu
disclose the argued claim limitations and the combination of the references
to meet the claimed limitations would have been obvious (Ans. 9-15).

We agree with the Examiner. We note initially that the argued claim
limitation for "the captured information being routed based on the one or
more product types of the one or more financial products associated with the
one or more deals" does not require that any tag be attached to the message.
McErlean discloses that a text analyzer is used to analyze and classify the
content of electronic messages (FF6) thus showing routing based on content
of the message. McErlean even further discloses that routing tags are used
to determine how messages are routed and distributed by the system (FF5,
FF7) in order to save time. While McErlean does disclose the routing tag is

read for the return messages (FF7), it still discloses the tagging step and using routing tags at some point in a system in order to save time.

Sandhu discloses a system for institutional investors and financial institutions to engage in capital market transactions including trading products via the Internet (FF2). The system supports *back-end* systems to execute automated processing including derivatives trading and trade settlement (FF2). Sandhu discloses *confirmation* block 70 and *settlement* block 80 which indicates that trades are "executed" (FF3).

The modification of the financial product trading system of Sandhu to route captured information from text-analysis or a routing tag as taught by McErlean based on a financial product is considered an obvious, predictable combination of known elements for the benefit of saving time in routing the messages which would have been obvious to one of ordinary skill in the art at the time of the invention. For these reasons the rejection of claims 26, 36, and 46 is sustained. The rejection of dependent claims 27-33, 37-43, and 47-53 has not been separately argued and the rejection of these claims is sustained for these same reasons.

With regards to claims 34-35, 44-45, and 54-55 the Appellants argue that Official Notice is improper as the means to show that a party or counterparty would be hedge fund or an investment bank (Br. 11-12, Reply Br. 4). Regardless of whether it is well known that an hedge fund or investment bank is known to be a party or counterparty to such trades or deals, such a use of the system by a hedge fund or investment bank would have been predictable and therefore obvious since it has been disclosed that Sandhu's system may be used in capital markets by institutional investors and financial institutions (FF2). One of ordinary skill in the art at the time

the invention was made would have readily seen that the trading system of Sandhu could be used with hedge funds or investment banks since they are typically engaged in such trading activities. For these reasons the rejection of claims 34-35, 44-45, and 54-55 is sustained.

The Appellants argue that the rejection of claims 56-58 is improper because Sandhu fails to teach or suggest "each of the internal systems being associated with one or more product types". Sandhu discloses that the system may be used with financial products (FF2). If not inherent in the Sandhu system, the use of a separate internal system being associated with each product type would be an obvious expedient to permit separate processing if one system failed. For these reasons the rejection of claim 56-58 is sustained.

CONCLUSIONS OF LAW

We conclude that Appellants have not shown that the Examiner erred in rejecting claims 26-33, 36-43, 46-53, and 56-58 under 35 U.S.C. § 103(a) as unpatentable over Sandhu and McErlean.

We conclude that Appellants have not shown that the Examiner erred in rejecting claims 34-35, 44-45, and 54-55 under 35 U.S.C. § 103(a) as unpatentable over Sandhu, McErlean, and Official Notice.

DECISION

The Examiner's rejection of claims 26-58 is sustained.

AFFIRMED

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